

COUNTRY PAPER of INDONESIA

BACK GROUND

Demographic Profile of Indonesia

Total population, based on census Indonesia 2010 are 237 641 326 person, consist of men 50.34% and women 49.66%, approximately 70% of the total population are women and children.

The micro, small, and medium and large enterprise in Indonesia

- a. **Large businesses:** -Omzet/year > Rp 50 Miliar, Asset > Rp. 10 Miliar, --total 4.968 Unit **(0,01%)**
 - b. **Medium size enterprises:** Omzet/year Rp 2,5 Miliar - Rp 50 Miliar , Asset Rp. 500 juta - Rp 10 Miliar—total 48.977 Unit **(0,09%)**
 - c. **SMALL enterprises**--Omzet/year Rp 300 Juta -Rp 2,5 Miliar, Asset Rp. 50 juta - Rp 500 Juta—total 629.418 Unit **(1,11%)**
 - d. **Micro enterprises**
Omzet/year --Rp 300 Juta, Asset until Rp. 50 juta—total 55.586.176 Unit **(98,79%)**
- SMEs play an important role in the Indonesian economy because it accounts for 56.7% of GDP and absorb 99.6% of employment.
 - Sectoral activities of SMEs dominate agriculture, construction, trade, hotels and restaurants
 - 60% SMEs/informal sector are women
 - **Labor Force Participation by Sex , 2013**
 - Men (83,58%) ; women (50,28%); Men and women (66,90%) (BPS 2013)
 - Percentage of workers according to education: a large part is elementary school (46.95%), secondary school (28.61) and, and high school (25.12%), while 9.47% college.

1. Definition of social protection

According to Law No. 11 of 2009 on Social Welfare, social protection are all efforts aimed at preventing and addressing the risk of shocks and social vulnerability of individuals, families, groups, and / or community to survival life can be fulfilled in accordance with the minimum basic needs.

2. Existing program on social protection for women in MSMEs

Ministry / Department / LPMD) and state-owned enterprises that have been organized protection and social security in the form of social insurance and social assistance, namely:

1. Government - Ministry of Social Affairs--- program family expectations: providing assistance to poor families with children under 18 years are given free of charge to schools,

2. Ministry of Education, Coordinating agency for population and family planning , Ministry of Manpower, Ministry of Health, Ministry of Finance, ministry of cooperatives and small and medium enterprises , and the Ministry of Home Affairs.
3. The National Social Security System Team, which was established by Presidential Decree No. 20 of 2002, dated April 10, 2005 on the Establishment of the National Social Security System Team.
4. Financial services authority established in 2011 serves to make arrangements and supervision and is responsible for the protection of consumers and the public in the financial services sector--- to disseminate financial literacy to the micro, small and medium enterprises and households mothers in 24 provinces in Indonesia that aims to protect consumers in the financial services sector, such as banks, insurance companies, pension funds, non-bank institutions
5. State-owned enterprises - insurance savings civil servants, health Insurance, PT Asabri, and PT. Social Security.

3. Other community based social protection programs

- secretariat of the national team accelerated poverty reduction--- Integrated Data Base for Social Protection.
- Fundraising through the family gathering (arisan)

4. Gaps and challenges

- **Gaps:** labor protection programs to be effective for workers who work in the employment relationship, while labor outside working relationship proved to still dominate the Indonesian labor force is still not getting adequate protection and sustainable

challenges:

1. The nature of the membership shall not be required where the informal sector.
 2. readiness (willingness and ability) of the informal sector in the economy has the capacity to follow the program, given the program fees will be borne by employers and workers;
 3. The data collection mechanism and the collection of dues informal sector is still inadequate.
- law no. 40 of 2004 on the national social security system and the law no. 24 on the implementation of social security agencies have initiated a comprehensive social security protection in Indonesia and mandatory. Institution of Social Security health began operation on 1 January 2014 and the Institution of Social Security workers will organize work accidents, death, old age and retirement will commence from 1 July 2015.

5. Lesson learned in implementing social protection programs for women MSMEs

forms of protection: legally have many laws that provide protection against SMEs. protection here in the form of protective and facilitative.

a. **protective** example: presidential decree no. 76 on the criteria and requirements for the preparation of closed business field and opened business field. Article 11 for the protection of cooperatives and SMEs

b. **facilitative** example: article 18 of Law No. 25 of 2007 on capital investment will assert certain facilities for investors who partner with SMEs; Article 88 Law no. 19 of 2003 on state-owned enterprises referred to "state-owned companies can set aside part of its net income for the purposes of fostering small businesses and cooperatives and community development around the state-owned enterprises.

Program of national social security systems

- health insurance, pension, old age security for the amount of contributions are shared between employers and employees (60:40)
- insurance of work accidents; death insurance
Health insurance ---contribution IDR 5000-Rp.10.0000/month and the insurance of old age/pension ---contribution IDR 25,000-Rp. 50,000
- Until now, labor protection programs to be effective for workers who work in the employment relationship, while labor outside working relationship proved to still dominate the Indonesian labor force is still not getting adequate protection and sustainable
- Nazara 2010 survey results can be seen that approximately 80% of the informal sector workers do not have social protection; social security takes priority informal sector workers is protection against occupational accidents (36%) and social protection (29%).
- Because of the limited ability to pay fees because of irregular income, the informal sector workers are not required to participate in social security, in accordance law no. 3 in 1992, but adapted to the abilities and needs of the participants (the ministry of labor regulations and Transmigration No. PER-24 / MEN / VI / 2006).

Conclusion:

SMEs in Indonesia is very important to be protected because: a). SMEs provide a significant contribution to GDP and absorb a lot of employee; b) the existence of SMEs to be important in the national economy, and also SMEs have become part of the global economy.